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Brazil

Livestock and Products

Brazil Resumes Pork Exports to Russia

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Report Highlights:

The Brazilian Ministry of Agriculture, Livestock, and Food Supply (MAPA) has officially announced two developments concerning Brazilian pork exports to Russia: the establishment of a pork import quota and the suspension of the embargo on imports of pork from the State of Santa Catarina.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Brasilia [BR1], BR

1) Russian officials have established an import quota of 370,000 metric tons of pork imports for Brazil. According to our trade sources, although the quota has been established, the criteria for distribution of the quota has not yet been defined. Our sources believe that one of the criteria to be used is a minimum price, which would benefit Brazilian pork exporters since they claim they are competitive in world markets. The other criteria would be based on past performance, which also would benefit Brazilian pork exporters since they are traditional exporters to that market.

According to the trade, pork imports within the quota will pay a 15 percent import tariff, outside the quota the tariff increases to 70 percent.

Trade sources in Brazil are optimistic with the Russian decision because in 2002 Russia accounted for 80 percent of Brazil's pork exports (363,394 metric tons from total exports of 454,000 metric tons).

2) Russian officials also resumed pork imports from the State of Santa Catarina beginning April 1, 2003, although purchases will be only authorized as of April 15 when import licenses are expected to be issued by Russian officials. In 2002, pork exports to Russia from the state of Santa Catarina reached 280,000 metric tons, or 62 percent of all Brazilian pork exports.

Russian pork imports from the State of Santa Catarina has been closed since December 24, 2002 because of the outbreak of Aujeszky disease. According to MAPA, as of February 2003, the number of animals slaughtered due to Aujeszky disease reached 115,775 in Santa Catarina, and the state is now considered officially free of Aujeszky disease.

3) Comments:

1) A Brazilian delegation composed of the top three officials in Animal Health and Inspection Department are currently in Moscow to complete the negotiations with Russian officials regarding the quota and the opening of imports from Santa Catarina state. Brazilian animal health officials found several discrepancies in the Animal Health Certificate and will try to clear those points with Russian officials.

2) Trade sources have indicated that the Brazilian delegation is also authorized to negotiate with Russian officials pork imports outside of the official quota in exchange for Russian wheat.